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FILCO INC

1115 SHORE DRIVE, BREMERTON WA. 98310 TEL: 360-377-8827 FAX: 360-377-8908 E-MAIL: FILCOINC@AOL.COM

August 13, 2003

Federal Maritime Commission 800 North Capitol Street Washington DC 20573 Attn: Hon. Steven R. Blust, Chairman

Re: UPS Application for Exemption

Dear Chairman Blust:

Filco Inc. supports the petition of UPS for an exemption under Section 16 of the Shipping Act of 1984 for the purpose of offering service contracts to its shippers.

Filco Inc. is engaged in importing products for various small business customers. In our business we ship approximately 80 - 100 LCL parcels of freight annually in Our freight consists mainly of automotive rubber and international ocean commerce. steel products, electrical products, castings, medical products, and extruded or Our shipments principally originate in Asia. fabricated metal parts. prominent destinations are Minneapolis, Chicago, Dallas, and San Antonio. We have been a UPS shipper for approximately 1 year.

It would be beneficial to us if UPS were able to offer service contracts, with confidential rates and enhanced service features customized to our particular needs. existing services often present the best transportation solution, the ability to negotiate confidential rates for the ocean portion of our freight movements, coupled with UPS's end-to-end air or surface services in the USA, would enable us to get the most value for our shipping expenditures and enhance the specialized value-added features we could offer to our customers. This would allow us more flexibility in selecting suppliers and enable us to provide a more competitive product. This is very important to us in light of intense price and service pressure we face from foreign competitors.

Accordingly. We support the UPS petition, and we request the Commission to grant it.

Sincerely Yours:

President